

Name _____

Competencies Checked:

Date _____

Chapter 1: How's Business Doing?

Directions: Answer each question in complete sentences. You may use the book if you need help.

1. Define descriptive statistics.

2. What is one of the basic functions in the accounting cycle?

3. Name the four main types of financial statements.

4. Define (a) E&P statement.

5. What is the long-term planning for more than anything else?

6. What would you do if you had \$1000? (Write your answer based on personal financial situation.)

7. Define P/E ratio. Explain what it means. Is it high or low? Explain (based on stock market performance, earnings per share, earnings per share growth rate).

8. Define free cash flow.

9. Explain what you think would happen in each of the following situations: